

55. VOICE UNE-P AND EEL	<u>6061</u>
56. LINE SPLITTING.....	<u>6566</u>
57. MODIFICATIONS TO SPRINT'S EXISTING NETWORK	<u>6667</u>
58. LOCAL INTERCONNECTION TRUNK ARRANGEMENT.....	<u>6869</u>
59. COMPENSATION MECHANISMS	<u>6970</u>
60. INTERCARRIER COMPENSATION	<u>7172</u>
61. SIGNALING NETWORK INTERCONNECTION	<u>7677</u>
62. TRUNK FORECASTING.....	<u>7980</u>
63. NETWORK MANAGEMENT.....	<u>8081</u>
64. USAGE MEASUREMENT.....	<u>8182</u>
65. TRANSIT TRAFFIC.....	<u>8182</u>
66. INDIRECT TRAFFIC.....	<u>8384</u>
67. RESPONSIBILITIES OF THE PARTIES.....	<u>8586</u>
68. SPRINT PROVISION OF INTERIM NUMBER PORTABILITY	<u>8687</u>
69. INTERIM NUMBER PORTABILITY	<u>8687</u>
70. REQUIREMENTS FOR INP	<u>8788</u>
71. INTRODUCTION	<u>9091</u>
72. TRANSITION FROM INP TO LNP	<u>9192</u>
73. TESTING	<u>9192</u>
74. ENGINEERING AND MAINTENANCE	<u>9192</u>
75. E911/911	<u>9293</u>
76. BILLING FOR PORTED NUMBERS	<u>9293</u>
77. LINE SHARING.....	<u>9394</u>
78. FORECAST	<u>9798</u>
79. INDEMNIFICATION	<u>9798</u>
80. CALL-RELATED DATABASES.....	<u>9899</u>
81. PROCEDURES.....	<u>103104</u>
82. ORDERING AND PROVISIONING.....	<u>104105</u>

83. BILLING	<u>111</u> 112
84. PROVISION OF SUBSCRIBER USAGE DATA.....	<u>112</u> 113
85. GENERAL NETWORK REQUIREMENTS.....	<u>117</u> 118
86. MISCELLANEOUS SERVICES AND FUNCTIONS	<u>119</u> 120
87. GENERAL	<u>131</u> 132
88. SCOPE OF COLLOCATION TERMS.....	<u>132</u> 133
89. TERMINATION OF COLLOCATION SPACE	<u>132</u> 133
90. COLLOCATION OPTIONS.....	<u>133</u> 134
91. DEMARCATION POINT.....	<u>140</u> 141
92. APPLICATION PROCESS.....	<u>140</u> 141
93. SPACE RESERVATION.....	<u>144</u> 145
94. PROVISIONING INTERVALS.....	<u>144</u> 145
95. CONSTRUCTION AND COMMENCEMENT OF BILLING	<u>144</u> 145
96. EQUIPMENT.....	<u>145</u> 146
97. AUGMENTS AND ADDITIONS	<u>146</u> 147
98. USE OF COMMON AREAS	<u>147</u> 148
99. CROSS CONNECTIONS	<u>148</u> 149
100. RATES	<u>148</u> 149
101. SPRINT SERVICES AND OBLIGATIONS	<u>149</u> 150
102. CLEC'S OBLIGATIONS	<u>155</u> 156
103. BUILDING RIGHTS.....	<u>161</u> 162
104. INSURANCE.....	<u>162</u> 163
105. INDEMNIFICATION	<u>164</u> 165
106. LIMITATION OF LIABILITY.....	<u>165</u> 166
107. PARTIAL DESTRUCTION	<u>165</u> 166
108. EMINENT DOMAIN	<u>166</u> 167
109. BANKRUPTCY	<u>166</u> 167
110. ASBESTOS.....	<u>166</u> 167

111.	MISCELLANEOUS	<u>167</u>168
-------------	----------------------------	----------------------

INTERCONNECTION AND RESALE AGREEMENT

This Interconnection, Collocation and Resale Agreement (the "Agreement"), entered into this ____ day of _____, 20__, is entered into by and between [*Insert CLEC Name*] ("CLEC"), a [*Insert State Name*] corporation, and [*Insert Sprint Company Name*] ("Sprint"), a [*Insert state of incorporation*] corporation, to establish the rates, terms and conditions for local interconnection, local resale, and purchase of unbundled network elements (individually referred to as the "service" or collectively as the "services").

WHEREAS, the Parties wish to interconnect their local exchange networks for the purposes of transmission and termination of calls, so that customers of each can receive calls that originate on the other's network and place calls that terminate on the other's network, and for CLEC's use in the provision of exchange access ("Local Interconnection"); and

WHEREAS, CLEC wishes to purchase Telecommunications Services for resale to others, and Sprint is willing to provide such service; and

WHEREAS, CLEC wishes to purchase unbundled network elements, ancillary services and functions and additional features ("Network Elements") for the provision of Qualifying Services to others, and Sprint is willing to provide such unbundled network elements and services; and

WHEREAS, the Parties intend the rates, terms and conditions of this Agreement, and their performance of obligations thereunder, to comply with the Communications Act of 1934, as amended (the "Act"), the Rules and Regulations of the Federal Communications Commission ("FCC"), and the orders, rules and regulations of the Commission; and

WHEREAS, the parties wish to replace any and all other prior agreements, written and oral, applicable to the state of [*Insert State Name*].

Now, therefore, in consideration of the terms and conditions contained herein, CLEC and Sprint hereby mutually agree as follows:

originating traffic is presumed to be ISP-Bound Traffic. This presumption may be rebutted by either Party consistent with the provisions of the FCC's *Order on Remand and Report and Order*, FCC 01-131, CC Dockets No. 96-98 and 99-68, adopted April 18, 2001 (the "ISP Compensation Order").

60.4.1.1. Compensation for ISP-Bound Traffic is subject to the growth cap. The growth cap will be applied as follows.

60.4.1.1.1. For the purposes of establishing a baseline for compensation for ISP-bound Traffic, the Parties shall use the number of ISP-bound minutes for which CLEC was compensated during the first quarter of 2001, annualized, plus an additional ten percent growth factor, plus an additional ten percent growth factor for 2002.

60.4.1.1.2. In 2003 and each additional year during the term of this agreement, Sprint will compensate CLEC for ISP-Bound Traffic up to the base-line number of ISP-bound minutes as calculated above.

Following provisions remain the same for all situations:

- 60.5. Compensation for the termination of toll traffic and the origination of 800 traffic between the interconnecting parties shall be based on the applicable access charges in accordance with FCC and Commission Rules and Regulations and consistent with the provisions of Part F of this Agreement.
- 60.6. Calls terminated to end users outside the local calling area in which their NPA/NXXs are homed, are not local calls for purposes of intercarrier compensation and access charges shall apply. Sprint shall not be obligated to pay reciprocal compensation, including transport, for such traffic.
- 60.7. Voice calls that are transmitted, in whole or in part, via the public Internet or a private IP network (VoIP) shall be compensated in the same manner as voice traffic (e.g. reciprocal compensation, interstate access and intrastate access).
- 60.8. A call placed on a non-local basis (e.g., a toll call or 8yy call) to an ISP shall not be treated as ISP-Bound Traffic for compensation purposes. The Parties agree that, to the extent such "non-Local" ISP calls are placed, that the rates, terms and conditions for IntraLATA and/or InterLATA calling shall apply, including but not limited to rating and routing according to the terminating parties' Exchange Access intrastate and/or interstate tariffs.
- 60.9. INP is available in all Sprint service areas where LNP is not available. Once LNP is available, all INP arrangements will be converted to LNP. Where INP is

[AMENDED, EXTENDED AND RESTATED] AGREEMENT

by and between

*****CLEC Full Name TXT*****

and

VERIZON*IF Verizon Company Full Name 2 TXT != ""***
Verizon Company Full Name 2 TXT**

FOR THE STATE OF

[STATE]

TABLE OF CONTENTS

[AMENDED, EXTENDED AND RESTATED] AGREEMENT	1
1. The Agreement	1
2. Term and Termination.....	2
3. Glossary and Attachments.....	2
4. Applicable Law	3
5. Assignment.....	4
6. Assurance of Payment.....	4
7. Audits	5
8. Authorization	5
9. Billing and Payment; Disputed Amounts.....	6
10. Confidentiality	6
11. Counterparts	9
12. Default	9
13. Discontinuance of Service by ***CLEC Acronym TXT***	9
14. Dispute Resolution.....	9
15. Force Majeure	10
16. Forecasts	10
17. Fraud.....	10
18. Good Faith Performance	11
19. Headings	11
20. Indemnification	11
21. Insurance	12
22. Intellectual Property.....	14
23. Joint Work Product	14
24. Law Enforcement	15
25. Liability	15

26.	Network Management	16
27.	Non-Exclusive Remedies.....	17
28.	Notice of Network Changes	17
29.	Notices.....	17
30.	Ordering and Maintenance	18
31.	Performance Standards	18
32.	Point of Contact for ***CLEC Acronym TXT*** Customers	18
33.	Predecessor Agreements	19
34.	Publicity and Use of Trademarks or Service Marks	19
35.	References	20
36.	Relationship of the Parties	20
37.	Reservation of Rights	20
38.	Subcontractors	21
39.	Successors and Assigns.....	21
40.	Survival.....	21
41.	Taxes	21
42.	Technology Upgrades.....	23
43.	Territory.....	23
44.	Third Party Beneficiaries	24
45.	251 and 271 Requirements	24
46.	252(i) Obligations	24
47.	Use of Service.....	24
48.	Waiver.....	24
49.	Warranties	24
50.	Withdrawal of Services	25
	SIGNATURE PAGE.....	26
	GLOSSARY	27
1.	General Rule	27

2.	Definitions	27
ADDITIONAL SERVICES ATTACHMENT		41
1.	Alternate Billed Calls	41
2.	Dialing Parity - Section 251(b)(3)	41
3.	Directory Assistance (DA) and Operator Services (OS).....	41
4.	Directory Listing and Directory Distribution	41
5.	Voice Information Service Traffic	44
6.	Intercept and Referral Announcements	44
7.	Originating Line Number Screening (OLNS)	45
8.	Operations Support Systems (OSS) Services.....	45
9.	Poles, Ducts, Conduits and Rights-of-Way	52
10.	Telephone Numbers	52
11.	Routing for Operator Services and Directory Assistance Traffic	53
12.	Good Faith Performance	53
INTERCONNECTION ATTACHMENT		54
1.	General	54
2.	Points of Interconnection and Trunk Types	54
3.	Alternative Interconnection Arrangements	58
4.	Initiating Interconnection	59
5.	Transmission and Routing of Telephone Exchange Service Traffic	59
6.	Traffic Measurement and Billing over Interconnection Trunks.....	60
7.	Reciprocal Compensation Arrangements Pursuant to Section 251(b)(5) of the Act.....	62
8.	Other Types of Traffic	63
9.	Transmission and Routing of Exchange Access Traffic.....	64
10.	Meet-Point Billing Arrangements	65
11.	Toll Free Service Access Code (e.g., 800/888/877) Traffic	67
12.	Tandem Transit Traffic.....	69

13.	Number Resources, Rate Center Areas and Routing Points	70
14.	Joint Network Implementation and Grooming Process; and Installation, Maintenance, Testing and Repair	71
15.	Number Portability - Section 251(B)(2)	73
16.	Good Faith Performance	76
RESALE ATTACHMENT		77
1.	General	77
2.	Use of Verizon Telecommunications Services	77
3.	Availability of Verizon Telecommunications Services	78
4.	Responsibility for Charges.....	78
5.	Operations Matters.....	78
6.	Rates and Charges.....	79
7.	Good Faith Performance	79
NETWORK ELEMENTS ATTACHMENT.....		80
1.	General	80
2.	Verizon's Provision of Network Elements	81
3.	Loop Transmission Types.....	81
4.	Line Sharing.....	90
5.	Line Splitting.....	98
6.	Sub-Loop.....	98
7.	Inside Wire	103
8.	Dark Fiber.....	105
9.	Network Interface Device.....	112
10.	Unbundled Switching Elements	113
11.	Unbundled Interoffice Facilities.....	114
12.	Signaling Networks and Call-Related Databases	115
13.	Operations Support Systems.....	116
14.	Availability of Other Network Elements on an Unbundled Basis.....	117

15.	Maintenance of Network Elements	118
16.	Combinations	118
17.	Rates and Charges	119
18.	Good Faith Performance	119
COLLOCATION ATTACHMENT		120
1.	Verizon's Provision of Collocation	120
911 ATTACHMENT		121
1.	911/E-911 Arrangements	121
2.	Electronic Interface	121
3.	911 Interconnection	122
4.	911 Facilities	122
5.	Local Number Portability for use with 911	122
6.	PSAP Coordination	122
7.	911 Compensation	122
8.	911 Rules and Regulations.....	123
9.	Good Faith Performance	123
PRICING ATTACHMENT		124
1.	General	124
2.	Verizon Telecommunications Services Provided to ***CLEC Acronym TXT*** for Resale Pursuant to the Resale Attachment.....	124
3.	***CLEC Acronym TXT*** Prices	126
4.	Section 271	126
5.	Regulatory Review of Prices	127

[AMENDED, EXTENDED AND RESTATED] AGREEMENT

PREFACE

This [Amended, Extended and Restated] Agreement ("Agreement") shall be deemed effective as of ***Date*** (the "Effective Date"), between ***CLEC Full Name TXT*** ("***CLEC Acronym TXT***"), a corporation organized under the laws of the ***CLEC Incorporation State-Commonwealth TXT*** of ***CLEC State of Incorporation MC***, with offices at ***CLEC Address 1 TXT***, ***CLEC City TXT***, ***CLEC State MC*** ***CLEC Zip TXT*** and Verizon***IF Verizon Company Full Name 2 TXT != *****Verizon Company Full Name 2 TXT*** ("Verizon"), a corporation organized under the laws of the ***Incorporation State-Commonwealth TXT*** of ***Incorporation State TXT*** with offices at ***Verizon Address TXT*** (Verizon and ***CLEC Acronym TXT*** may be referred to hereinafter, each, individually as a "Party", and, collectively, as the "Parties").

GENERAL TERMS AND CONDITIONS

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, pursuant to Section 252 of the Act, Verizon and ***CLEC Acronym TXT*** hereby agree as follows:

1. The Agreement

- 1.1 This Agreement includes: (a) the Principal Document; (b) the Tariffs of each Party applicable to the Services that are offered for sale by it in the Principal Document (which Tariffs are incorporated into and made a part of this Agreement by reference), and, (c) an Order by a Party that has been accepted by the other Party.
- 1.2 Except as otherwise expressly provided in the Principal Document (including, but not limited to, the Pricing Attachment), conflicts among provisions in the Principal Document, Tariffs, and an Order by a Party that has been accepted by the other Party, shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Principal Document; (b) the Tariffs; and, (c) an Order by a Party that has been accepted by the other Party. The fact that a provision appears in the Principal Document but not in a Tariff, or in a Tariff but not in the Principal Document, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.2.
- 1.3 This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation, on the subject matter hereof, provided, however, notwithstanding any other provision of this Agreement or otherwise, this Agreement is an amendment, extension and restatement of the Parties' prior interconnection and resale agreement(s), if any, and, as such, this Agreement is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction with respect to any prior interconnection or resale agreements and, accordingly, all monetary obligations of the Parties to one another under any prior interconnection or resale agreements shall remain in full force and effect and shall constitute monetary obligations of the Parties under this Agreement (provided, however, that nothing contained in this Agreement shall convert any claim or debt that would otherwise constitute a prepetition claim or debt in a bankruptcy case into a postpetition claim or debt). In connection with the foregoing, Verizon expressly reserves all of its rights under the Bankruptcy Code and Applicable Law to seek or oppose any relief in respect of the

assumption, assumption and assignment, or rejection of any interconnection or resale agreements between Verizon and ***CLEC Acronym TXT***.

- 1.4 Except as otherwise provisioned in the Principal Document, the Principal Document may not be waived or modified except by a written document that is signed by the Parties. Subject to the requirements of Applicable Law, a Party shall have the right to add, modify, or withdraw, its Tariff(s) at any time, without the consent of, or notice to, the other Party.

2. Term and Termination

- 2.1 This Agreement shall be effective as of the Effective Date and, unless cancelled or terminated earlier in accordance with the terms hereof, shall continue in effect until ***Date CO*** (the "Initial Term"). Thereafter, this Agreement shall continue in force and effect unless and until cancelled or terminated as provided in this Agreement.
- 2.2 Either ***CLEC Acronym TXT*** or Verizon may terminate this Agreement effective upon the expiration of the Initial Term or effective upon any date after expiration of the Initial Term by providing written notice of termination at least ninety (90) days in advance of the date of termination.
- 2.3 If either ***CLEC Acronym TXT*** or Verizon provides notice of termination pursuant to Section 2.2 and on or before the proposed date of termination either ***CLEC Acronym TXT*** or Verizon has requested negotiation of a new interconnection agreement, unless this Agreement is cancelled or terminated earlier in accordance with the terms hereof (including, but not limited to, pursuant to Section 12), this Agreement shall remain in effect until the earlier of: (a) the effective date of a new interconnection agreement between ***CLEC Acronym TXT*** and Verizon; or, (b) the date one (1) year after the proposed date of termination.
- 2.4 If either ***CLEC Acronym TXT*** or Verizon provides notice of termination pursuant to Section 2.2 and by 11:59 PM Eastern Time on the proposed date of termination neither ***CLEC Acronym TXT*** nor Verizon has requested negotiation of a new interconnection agreement, (a) this Agreement will terminate at 11:59 PM Eastern Time on the proposed date of termination, and (b) the Services being provided under this Agreement at the time of termination will be terminated, except to the extent that the Purchasing Party has requested that such Services continue to be provided pursuant to an applicable Tariff or Statement of Generally Available Terms (SGAT).

3. Glossary and Attachments

The Glossary and the following Attachments are a part of this Agreement:

Additional Services Attachment
Interconnection Attachment
Resale Attachment
Network Elements Attachment
Collocation Attachment
911 Attachment
Pricing Attachment

GLOSSARY

1. General Rule

- 1.1 The provisions of Sections 1.2 through 1.4 and Section 2 apply with regard to the Principal Document. Terms used in a Tariff shall have the meanings stated in the Tariff.
- 1.2 Unless the context clearly indicates otherwise, when a term listed in this Glossary is used in the Principal Document, the term shall have the meaning stated in this Glossary. A defined term intended to convey the meaning stated in this Glossary is capitalized when used. Other terms that are capitalized, and not defined in this Glossary or elsewhere in the Principal Document, shall have the meaning stated in the Act. Additional definitions that are specific to the matters covered in a particular provision of the Principal Document may appear in that provision. To the extent that there may be any conflict between a definition set forth in this Glossary and any definition in a specific provision, the definition set forth in the specific provision shall control with respect to that provision.
- 1.3 Unless the context clearly indicates otherwise, any term defined in this Glossary which is defined or used in the singular shall include the plural, and any term defined in this Glossary which is defined or used in the plural shall include the singular.
- 1.4 The words "shall" and "will" are used interchangeably throughout the Principal Document and the use of either indicates a mandatory requirement. The use of one or the other shall not confer a different degree of right or obligation for either Party.

2. Definitions

- 2.1 Act.
The Communications Act of 1934 (47 U.S.C. §151 et seq.), as from time to time amended (including, but not limited to, by the Telecommunications Act of 1996).
- 2.2 Advanced Services.
As a general matter, shall have the meaning set forth by the FCC.
- 2.3 Affiliate.
Shall have the meaning set forth in the Act.
- 2.4 Agent.
An agent or servant.
- 2.5 Agreement.
This Agreement, as defined in Section 1 of the General Terms and Conditions.
- 2.6 Ancillary Traffic.
All traffic that is destined for ancillary services, or that may have special billing

The physical point in a Verizon provided network facility at which Verizon's responsibility for maintaining that network facility ends and the Customer's responsibility for maintaining the remainder of the facility begins, as set forth in this Agreement, Verizon's applicable Tariffs, if any, or as otherwise prescribed under Applicable Law.

2.79 Reciprocal Compensation.

The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Section 7 of the Interconnection Attachment).

2.80 Reciprocal Compensation Traffic.

Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined by Verizon. Reciprocal Compensation Traffic does not include the following traffic (it being understood that certain traffic types will fall into more than one (1) of the categories below that do not constitute Reciprocal Compensation Traffic): (1) any Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined by Verizon, and based on the actual originating and terminating points of the complete end-to-end communication; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Scope Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment); or, (8) Virtual Foreign Exchange Traffic (or V/FX Traffic) (as defined in the Interconnection Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.

2.81 Retail Prices.

The prices at which a Service is provided by Verizon at retail to subscribers who are not Telecommunications Carriers.

2.82 Routing Point.

A specific geographic point identified by a specific V&H coordinate. The Routing Point is used to route inbound traffic to specified NPA-NXXs. The Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, the Routing Point associated with each NPA-NXX need not be the same as the corresponding Rate Center Point, nor must it be located within the corresponding Rate Center Area, nor must there be a unique and separate Routing Point corresponding to each unique and separate Rate Center Area.



CHAIRMAN

Federal Communications Commission

Washington, D.C.

November 5, 2003

The Honorable Ron Wyden
United States Senate
516 Hart Senate Office Building
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter regarding the Internet Tax Moratorium. I am happy to share my views on Voice over Internet Protocol ("VoIP") and outline our plans to address VoIP issues in the coming weeks and months. As I have said often, the deployment of broadband Internet services to every American is a national imperative. I commend your leadership and commitment to realizing the public and economic benefits associated with broadband Internet availability and use for our citizens.

I share your excitement about the potential for VoIP technology to bring those very benefits to both consumers and businesses. Although still in the early stages of commercial development and deployment, the proliferation of broadband Internet connections is turning yesterday's VoIP dreams into today's realities. Entrepreneurs are tapping into the Internet's potential to provide low-cost voice services to Americans throughout the country. At the same time, these VoIP providers are introducing innovations previously unheard of in voice communications, such as the ability to choose from over 100 area codes and to take your number with you anywhere in the world as long as you can access the Internet.

In addition, investment in broadband Internet access and VoIP services are creating small business jobs. U.S. businesses, small and large alike, are increasingly using these Internet services to increase productivity and contribute to our Nation's economic growth. In short, the creative forces that have fueled the Internet's growth for the last decade are doing the very thing government regulators have tried to accomplish since the 1996 Telecommunications Act—bring competitive, cheaper and more innovative voice services to the public.

As new digital technologies and Internet applications, such as VOIP, challenge the established technological, market and regulatory structures of our analog past, the FCC will continue to stay at the forefront of change. The FCC has been studying VoIP issues for several years, but things have greatly accelerated over the past year and, thus, so have the FCC's actions to address the complex issues that arise. The FCC is currently considering several petitions involving different flavors of VoIP. Last month, the FCC's Technical Advisory Council held a meeting devoted solely to VoIP issues.

Given the complexity and significance of these issues, the FCC has recently announced that it will comprehensively tackle the proper regulatory treatment of VoIP and related issues. On December 1, 2003, the FCC will hold a VoIP hearing. The hearing will have a wide range of witnesses from the industry and government to focus on a variety of VoIP issues. We will look at how the digital technologies are being used to provide a variety of voice services in the marketplace. We will also explore emerging regulatory issues, such as FCC precedent and the classification issues raised in the recent Minnesota District Court ruling on VoIP services. Finally, we will begin a conversation on how best to achieve important health, safety and welfare policy objectives, such as E911, universal service and securing our homeland.

Shortly after the forum, the FCC will initiate a *Notice of Public Rule Making* ("*NPRM*") on VoIP services. This *NPRM* will, in part, inquire about the migration of voice services to IP-based networks and gather public comment on the appropriate regulatory environment for VoIP services. Over the course of the next year, after full public comment and thoughtful consideration of the record, the FCC plans to follow up the *NPRM* with a *Report and Order* on the VoIP issues raised in the proceeding.

As you can see, the FCC will be quite busy with VoIP issues over the course of the next twelve months. Of course, we will keep you, the Committee and all of Congress apprised of our progress along the way. As the Senate moves to debate the Internet Tax Moratorium in the coming days, I urge caution in addressing VoIP issues. There is universal agreement that these Internet services hold great promise for the American people. Imposing regulatory burdens on these new and emerging Internet services, before the FCC fully engages the public and develops a comprehensive record, may have the unintended consequence of stifling its growth and denying the public benefits of that growth.

I hope this information serves you and the rest of the Senate well as you debate this important piece of legislation. I thank you for your strong leadership and vision in this area. If you have any further questions, please do not hesitate to call on me.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'M. Powell'.

Michael K. Powell
Chairman